# Greece’s Brest-Litovsk

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An encircled army has few viable options: it can sue for peace and suffer humiliating terms. It can fight with all its strength and suffer heavy casualties. Or it can fight the odd skirmish, force ceasefires, and bide its time, all the while trying to split the opponent and prepare the ground for reinforcements. In November 1917, the newly installed Russian government found itself in just such a predicament. Upon entering into negotiations with the Central Powers at Brest-Litovsk, it was immediately faced with a dilemma: suing for peace meant betrayal of the anti-war revolutionaries in Western Europe who were fighting the chauvinism of their own ruling classes. Opting for war meant an intolerable amount of casualties and possibly a humiliating defeat. The Russian government initially opted for a third strategy: no war – no peace. One explicit condition for the ceasefire negotiated under this strategy was that the Central Powers not shift their troops from the Russian to the Western front. In the meantime, the government continued its pro-communist agitation within the ranks of its opponents, in the hope that it could split their forces.

Europe’s periphery—the so-called PIIGS—is presently under siege by financial markets. Greece is at the forefront of this fight. Indeed, the election of SYRIZA on the 25th of January seems to have pushed the country out of the furnace and into the fire. Short of leaving the euro, the Greek government has only one fire-fighting strategy left, which consists in breaking the unity of the pro-austerity bloc. This is a Herculean task, for it requires sowing disunity within the Eurozone’s pro-austerity governments. But it remains an ever-receding alternative to the mutually exclusive menaces of capitulation or Grexit. Let me explain.

## Neither war nor peace

Numerous strategies have been proposed for extracting Greece from the social quagmire of mass unemployment, poverty, inequality and xenophobia. One such strategy envisages a complete break with the status quo. This is the much-vaunted Grexit strategy, which envisages a unilateral default on debt and devaluation in the (newly minted) Greek currency. As part of this strategy, Greece would have to introduce capital controls, nationalize the banks, and introduce rationing for basic goods such as medicine and energy (whose prices are likely to soar due to currency devaluation). In all likelihood, these measures would have to be implemented through exit from the EU, whose treaties and acquis prohibit restrictions on the free movement of capital. The upshot of this strategy—assuming Greece succeeds, which is a strong assumption—is likely to be that others follow suit. This would very likely spell the end of the euro. On balance, however, opting for Grexit is likely to be a significant improvement over the insidious poison of austerity, presently being administered in lieu of putative cure. Under present circumstances—and quite unlike 1917 Russia—war seems preferable to peace.

SYRIZA’s leadership claims that the putative dilemma between war and peace, or between exiting austerity and staying in the Euro, is not exhaustive. The third possibility is neither war nor peace. As part of this strategy, the Greek government, along with any domestic and foreign allies, would engage in a Europe-wide campaign aimed at strengthening the hand of the Greek worker by tying her interests to those of the average European. At the same time, the government and its allies would attempt to split pro-austerity opposition through persistent agitation and ideological campaigning. Call this the Brest-Litovsk strategy. What concrete steps does it require?

‘We are implementing your interests’

First, it requires a Europe-wide campaign of speaking directly to working class organizations, trade unions and NGOs. The purpose of this campaign would be to drive home the idea that the programme of SYRIZA is to the interest of the German, the Spanish, the Portuguese and the Irish worker. Austerity in Greece entails unemployment, inequality and downward wage pressure outside it. EU structures, which include the free movement of labour and capital, guarantee as much. Widespread elaboration of this simple fact might provide a modicum of support for the Greek government.

Second, the Brest-Litovsk strategy envisages an attempt to drive a wedge between left- and right-wing elements within existing pro-austerity governments. In the case of Germany, for example, it requires broad trade union support for SYRIZA’s programme. It requires, in addition, mobilization of the broadest available coalition of left-wing elements within the Social Democratic Party (SPD) in support of the Greek cause. The only way the German government will make concessions in the interests of Europe’s peoples is if its pro-austerity zeal is undermined. But given that the Christian Democrats are unlikely to budge—they are currently facing significant anti-EU pressure on their right—the only possible ally of SYRIZA is the left flank of the SPD. Similar considerations apply to the governments of Portugal and Ireland, both of which comprise centre-left and centre-right coalitions.

Competitiveness against competitiveness

The Brest-Litovsk strategy smacks of garden-variety Trotskyist desperation sublimated as revolutionary heroism. But its economic logic, at least, is impeccable. Take the mantra of competitiveness. Economists of every ideological stripe agree that the main explanation for Europe's pathology of uneven development boils down to 'lack of competitiveness' on the part of the periphery vis-à-vis Germany.

'High competitiveness' is, of course, a euphemism for low wages and high profits. Indeed, Germany is highly competitive in precisely this sense: reunification in the 1990s generated a massive inflow of workers from the East. In the midst of abundant labour, German capital perpetrated a protracted act of violence against German workers, depressing wages and work conditions for five years in a row. The persistence of the recent Eurozone crisis is but an externalization of this violence within the ambit of the Euro. Put bluntly, the plight of the Greek worker today is the Europeanization of the plight of the East German worker yesterday.

This vigorous race to the bottom would have Greece meet the German productivity-to-wage ratio through wage depression. The strategy canvassed here, by contrast, envisages a race to the top: instead of trying to undercut German productivity by underselling German capitalism, the Brest-Litovsk programme envisages an increase in the remuneration of both Greek and German workers. This loosens the grip of terms-of-trade pressures, alleviating wage depression, and putting employment back on the agenda. Worker solidarity thus turns the logic of competitiveness against itself.

For these reasons, the Brest-Litovsk strategy seems preferable to both peace and war. Peace implies devaluation through price and wage adjustment. That is, the Greek worker recovers by underselling the German worker, whose wages are higher. War implies depreciation through exchange-rate adjustment: the Greek worker recovers by underselling the French worker, whose currency is stronger. Both peace and war with the euro pit peoples against each other. The no war – no peace strategy has the added benefit that it does away with the anti-German rhetoric and propaganda that de facto divides Europe. ‘Solidarity with the German worker!’: here’s a potent anti-nationalist cry against the fascists, if ever there was one. Crucially, the sufficiently widespread appeal of a united front against austerity would give a stronger hand to German trade unions to negotiate higher wages, and embarrass the likes of the CDU/CSU and the leadership of the SPD, whose principal concerns are exhausted in placating German capital.

The Brest-Litovsk strategy, even if sufficiently elaborated, is not very likely to succeed. Indeed, the strategy taken by itself offers no long-term remedy for the Eurozone’s ills, which have to do with the deflationary, export-oriented structure of German capitalism. But it might give SYRIZA the time to regroup, call upon reinforcements from other parts of Europe, and implement a part of its programme. It might, moreover, give Europe’s periphery the breadth of popular support it needs in order to force a radical restructuring of the common currency. Anything short of the said strategy, however, is likely to precipitate either complete capitulation to austerity, or else disorderly exit from the Eurozone, sooner rather than later.